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4
     Attorneys for Plaintiff Pacific Information Resources, Inc.
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7                    **UNITED STATES DISTRICT COURT**

8                  **NORTHERN DISTRICT OF CALIFORNIA**

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11   Pacific Information Resources, Inc., a          )   **CASE NO.  CV-07-4131  MMC**
     California Corporation,                          )
12                                                    )   **[Before the Honorable Maxine M.**
                        Plaintiff,                    )   **Chesney, Courtroom 7]**
13                                                    )
              vs.                                     )   **EXPERT DECLARATION REPORT OF**
14                                                    )   **HAYDEN BOND RE DAMAGES IN**
     SIMPLE COMMUNICATIONS, an Alabama               )   **SUPPORT OF PACIFIC'S**
15   corporation; WILLIAM TRAVIS SULLIVAN,           )   **APPLICATION FOR DEFAULT**
     individually, AND DOES 1 through 100,           )   **JUDGMENT**
     inclusive, WHOSE IDENTITIES ARE                 )
16   UNKNOWN,                                         )   [Filed Concurrently with Plaintiff's
                                                      )   Application for Default Judgment by Court;
17                      Defendants.                   )   Memorandum of Points and Authorities,
                                                      )   Pacific's Request for Judicial Notice,
18   _____        )   Declaration of Timothy J. Koster, Declaration
                                                          of Konrad L. Trope, Declaration of Expert
19                                                        Ran Hadas, Ph.D. and [Proposed] Order
                                                          Lodged Concurrently Herewith]
20
                                                          Complaint Filed:      August 9, 2007
21                                                        Default Entered :     October 2, 2007

22                                                        Hearing Date:         April 4, 2008
                                                          Time:                 9:00 a.m.
23                                                        Dept.:                7

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27   **Declaration of Hayden Bond in Support of Application for Default Judgment by Court**
                                                                       **Case No. CV-07-4131**
28   pacific information resources\pleadings\sullivan and simple communications\decl of bond  re application for default judgment final as filed 02
     28 08

1      I, Hayden Bond, state and declare as follows:

2      1.      I am a resident of the State of California; I am over the age of 18 years; I make

3  this declaration under penalty of perjury, from my own personal knowledge, and research which I

4  have personally conducted, and from my knowledge of records that I maintain or have reviewed

5  in the ordinary course of my business.  Therefore, I would and could competently testify in any

6  judicial proceeding concerning the facts stated herein.

7                          **EXPERTISE AND BACKGROUND**

8      2.      I am a Internet consultant specializing in the area of Internet Quantitative Analysis

9  and Assessment as applied to E-Commerce.  As a consultant, I assist e-commerce clients with

10  search engine optimization as part of their online marketing campaigns.

11      3.      Over the past five years I have worked for major Internet companies such as the

12  international cosmetics and beauty products company Skinstore.com, as well as the data base

13  management firm Enformion.com.  At the latter enterprise, I focused on developing and creating

14  the demand for direct access to public records, with such widely popular services as

15  Peoplefinders.com.

16      4.      Quantitative analysis of e-commerce is a rapidly developing and constantly

17  evolving business tool of recent origin.  Indeed, faculties at the leading business schools and

18  computer science departments are constantly revising their curriculums in this area based on their

19  monitoring "frontline developments" of private sector specialists such as myself, rather than on

20  any academic or laboratory research.

21      5.      In that regard, I focus my consulting skills on assisting Web site clients achieve

22  first page positioning through relevant keyword identification on all major search engines. One of

23  the niche e-commerce industries where I have spent considerable time is in the field of

24  aggregating and selling public records data.

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27  **Declaration of Hayden Bond in Support of Application for Default Judgment by Court**
**Case No. CV-07-4131**

28  pacific information resources\pleadings\sullivan and simple communications\decl of bond  re application for default judgment final as filed 02
28 08

1    6.    I was retained on this case on January 10, 2008.  My hourly consulting rate is

2  $150 per hour.

3                **SCOPE AND PURPOSE OF REPORT**

4    7.    This report documents my findings in the case of Plaintiff Pacific Information

5  Resources, Inc., versus Defendants William Travis Sullivan and Simple Communications, Inc.

6  pending in the United States District Court for the Northern District of California, bearing Case

7  Number CV-07-4131.

8    8.    As part of the duties for which I was retained, I was asked to estimate the monthly

9  income generated by the web sites hosted by Defendant Simplie Communication that are owned

10  by Airon Corporation a defendant in the related case of *Pacific Information Resources v Diana*

11  *Musselman, et. al.* USDC Case No. 06-02306.  This task involved objectively and independently

12  analyzing the amount of traffic directed to the following 15 Web sites:

13    CISWORLDWIDE.com, WEBINVESTIGATOR.ORG,

14    BACKGROUNDRECORDS.ORG, BARGAINSHERLOCK.ORG,

15    CIVILFILES.COM, CREDITHISTORY.ORG, COURTRECORDS.ORG,

16    CRIMINALFILES.ORG, INVESTIGATE123.COM,

17    LOCATECLASSMATES.ORG, LOCATEPEOPLE.ORG,

18    REVERSEGENIE.COM, REVERSERECORDS.ORG, RMVRECORDS.ORG,

19    SEARCHPUBLICRECORDS.ORG

20  and then calculating how much of that traffic resulted in new subscribers to the 15 Websites

21  owned by Airon and hosted by Simple Communications (the "Airon/Simple Websites):  *i.e.* how

22  many new visitors to the various Airon/Simple Websites paid to receive access to its databases

23  and services.

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                                3
27  **Declaration of Hayden Bond in Support of Application for Default Judgment by Court**
                                **Case No. CV-07-4131**
28  pacific information resources\pleadings\sullivan and simple communications\decl of bond  re application for default judgment final as filed 02
    28 08

9.      In February 2008, I performed an analysis, in which I calculated the number of new paid subscribers at those Airon/Simple Websites for each month of operation during the period of August 2005 through January 2008.

10.      The creators of the Airon/Simple Websites have enabled their websites to appear on searches conducted through the three major search engines: YAHOO, MSN and GOOGLE. Then, the Airon/Simple Websites select a number of keywords to include in their various websites, so that when those words appear in a consumer's search, the multiple (but duplicative) Airon/Simple Websites will appear among the results.  The more keywords that the Airon/Simple Websites ensures are contained on its site, the better the chances that Airon/Simple Websites will appear near the top of the list a given search.

11.      Airon/Simple Websites, like any other web site operator, looks at data bases such as Wordtracker.com, Keyword Discovery.com and Yahoo's Overture.com to identify the most popular keywords in various categories. Airon/Simple Websites then makes sure that those more popular search terms appear on its website so that consumers are "driven" to its site.

12.      I estimate that Airon/Simple Websites had approximately 26,435,175 visitors each month. I came to this determination by taking the number of predicted daily searches from Wordtracker.com, Keyword Discovery.com and Yahoo's Overture database for each keyword and adding them together. These three data bases track the usage of keywords by paid advertisers on various search engines. Then, I took the average of the three reports for an overall gross estimate of traffic.

13.      Further, I then entered each word into Google's adwords estimator which supplies and estimated number of clicks a site can expect from a given keyword and entered that into column "F" on that attached spreadsheet. Since I have no data on what how the Airon/Simple Websites ranked organically (i.e. in the absence of "no Sponsored Searches" Internet advertising)

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**Declaration of Hayden Bond in Support of Application for Default Judgment by Court**
**Case No. CV-07-4131**

1  in the search engines for their top 35 keywords in the search engines, I used solely the Google

2  Adwords estimator as a means to determine traffic.

3      14.    Though more than 60,000 keywords and variations thereof could be deemed

4  relevant to the Airon/Simple Websites, I chose the 35 most relevant as it is well known that the

5  top 35 "head terms" (most relevant keywords) account for 70 to 85% of a web site's traffic and

6  revenue when advertising on paid networks.

7      15.    Google Adwords estimator uses historical data from the Google paid advertising

8  network to estimate the number of clicks and advertiser might expect for a given keyword.  Keep

9  in mind that this makes my estimates very conservative as I cannot account for traffic from

10  organic placement (natural rankings achieved without Sponsored Search Results advertising) on

11  the Yahoo and MSN networks. Consequently, I would estimate, based on the past five years of

12  first hand observation, that Airon/Simple Websites had an actual traffic amount that was at least

13  30% higher than I have estimated in this analysis.

14      **TRAFFIC THAT CONVERTS ON Airon/Simple Websites**

15      16.    Based on my experience with marketing and optimizing search results for nearly a

16  dozen public records related web sites, I know that the average conversion rate for web sites in

17  this niche industry can range from 1-2.5%.

18      17.    Thus, in order to present a defensible estimate of revenue generated by the

19  Airon/Simple Websites, I choose a conservative conversion rate of 1.2% of all visitors converted

20  to "buyers." Public record searches and public record websites have become a multi-million

21  dollar industry over the past five to seven years.  From background checks to celebrity

22  journalism, it seems that there is an insatiable demand for comprehensively organizing and

23  presenting access to the vast array of public records, both here and abroad.

24      18.    I have observed this phenomena first hand, when buying paid advertisement

25  placements for public record sites or when partnering with other Web sites in the public records

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27  **Declaration of Hayden Bond in Support of Application for Default Judgment by Court**
**Case No. CV-07-4131**

28  pacific information resources\pleadings\sullivan and simple communications\decl of bond  re application for default judgment final as filed 02 28 08

1    industry. Indeed, part of my duties over the years has been to research and quantify the cost of

2    acquiring new visitors and expected return on expenditures to attract new visitors to such sites.

3         19.     Part of that research requires that partnering web sites reveal their conversion

4    rates so that I may actually calculate the traffic a potential "partner" or referral site might

5    generate for a proposed joint venture. For the many partner deals that I have researched, a

6    conversion rate of 1% - 2% is standard. I came to the determination that Airon/Simple Websites

7    had a 1.2% conversion rate because:

8         A.     Airon/Simple Websites had a better than average web site which appears to be

9              based on using SearchSystems' highly relevant and well-written content; and

10        B.     The growing popularity of public record websites which I believe also assisted in

11             converting visitors into purchasers.

12        20.     In the attached spreadsheet, I entered each of the 35 Airon/Simple Websites

13    keywords into KeywordDiscovery.com, Overture search database and Wordtracker.com search

14    database. Then, I took the average "Average Count" of all three (columns B, C and D). See

15    Exhibit "1" attached hereto and incorporated herein.

16        21.     Next, I used the Google Adwords estimator to estimate the number of given clicks

17    a particular keyword might receive on an average day. Then, I assumed that percentage of traffic

18    clicking on the first result would be 15% (based on gross traffic numbers and Adwords Estimator

19    data as well as My Personal Estimation of the Relevance of a Particular Keyword Phrase to the

20    Airon/Simple Websites).

21        22.     Further, I applied the conversion rate of 1.2% with an average order value of

22    $29.99 to the estimated traffic number to calculate the amount of revenue possibly generated by

23    each keyword. This gives us the monthly revenue amount for each keyword as noted in Column

24    "L".

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**Declaration of Hayden Bond in Support of Application for Default Judgment by Court**
**Case No. CV-07-4131**

28    pacific information resources\pleadings\sullivan and simple communications\decl of bond re application for default judgment final as filed 02 28 08

1    23.    In order to better appreciate and comprehend the attached chart, I have set forth

2    several necessary and fundamental term definitions:

3    **Term Phrase:**  Column "A" contains a list of 35 keywords which I believe to be most

4    relevant for the acquisition of traffic to the Airon/Simple Websites via paid means such as

5    Google, Yahoo and MSN paid advertising networks. I came to this determination by using

6    WordTracker.com, Keyword Discovery.com and Overture search databases.

7    All of these search databases collect data on search engine queries for particular keywords

8    and phrases. Further these services allow me and other professionals to mine this data and

9    extrapolate popular keywords for a given site. Relevant keywords were chosen based on search

10    volume.

11    **Keyword Discovery Number (KW Discovery#):**  Column "B" contains the number of

12    times that each keyword or phrase appears in the selected database.  The searches column

13    displays the number of searches for the keyword over the last 12 months for Global premium and

14    the regional Keyword Discovery databases.

15    Figures in this column provide a rough estimate of the total number of daily searches on

16    the internet as a whole, for each given search term.   Predicted Daily count is just that,

17    "PREDICTED". The searches column contains the total number of ACTUAL searches in

18    KEYWORD DISCOVERY DATABASE that is supplied by close to 200 search engines.

19    If you assume that KEYWORD DISCOVERY has 10% of the keyword searches in their

20    database, multiply the total searches by 10 then divide by 365 days. Granted this does not apply

21    for all terms, such as keywords that only started to be searched from a particular date.  Therefore,

22    the actual formula they use is a little more complicated and takes into account other factors such

23    as seasonality.

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27    **Declaration of Hayden Bond in Support of Application for Default Judgment by Court**
**Case No. CV-07-4131**

28    pacific information resources\pleadings\sullivan and simple communications\decl of bond  re application for default judgment final as filed 02 28 08

1    **Overture (OVSrch#):** Column "C" contains monthly searches figures, for a given

2  search term or phrase, from Overture databases, however the data is often several months behind.

3  As of the date of this report, Overture was reporting data for January 2007.

4    **Wordtracker (WTSrch#):** Column "D" contains the predicted daily searches in a 24

5  hour period (multiplied by *31 for the month of January as reported in Overture for comparison)

6  for the given keyword/phrase. Wordtracker uses the following formula to estimate the daily

7  search volume for any given keyword:

8    *Number of times keyword appears in WordTracker database ÷ Total number of keywords*

9  *in the WordTracker database*

10    *Multiplied by (x) the Estimated total number of daily queries on all search engines\* =*

11  *the Estimated daily volume of searches for the keyword*

12    Accordingly, for a keyword that appears 9,000 times in the WordTracker database, then

13  the number of daily searches that WordTracker predicts is namely:

14    *9,000 ÷ 303.8 million (x) 535.7 million\* =  15,873 daily searches*

15    Every day, on average, WordTracker collects about 3.38 million search terms from

16  Dogpile.com and Metacrawler.com, who according to Netapplications.com account for 0.63% of

17  searches across all engines. By combining these two figures, WordTracker estimates that the total

18  daily searches across all search engines is 535.7 million.

19    **Average Count:** Column "E" contains the average of the sum of rows B, C and D. This

20  is done to get a well-rounded sample of traffic by compiling and averaging search volume from

21  three different sources discussed above.

22    **Adwords Estimator:** Google provides estimates as a guideline, and based on

23  system-wide averages for each keyword. This tool helps Webmasters project volume and adjust

24  spend using the estimated number of visits for a particular keyword as estimated by Google Pay

25  Per Click network data.

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27  **Declaration of Hayden Bond in Support of Application for Default Judgment by Court**
   **Case No. CV-07-4131**

28  pacific information resources\pleadings\sullivan and simple communications\decl of bond  re application for default judgment final as filed 02
   28 08

1    **Relevancy (Rel. %):**  Column "G" provides a percentage of relevancy number for each

2    keyword based on my personal experience and the content being served on the site in question, I

3    make a determination of how relevant the term or phrase is to people searching on the various

4    search engines. This is a pure judgment call, based on years of providing quantitative analyses to

5    public records websites.

6    **Daily Visitors in Position (Daily Vis. Pos. 1):**  Column "H" contains the measure of the

7    Number of Visitors you will get by being in Position #1 at Yahoo!, MSN & Google for a

8    particular keyword or phrase. This calculation takes into account search Volumes in Columns B,

9    C and D as well as the current market share for each engine at the time. As of Sept 25, 2007

10   SearchEngineWatch.com lists Google with 53.6% of total searches, Yahoo with 19.9% and MSN

11   with 12.9%-with the numerous other search engines with the remaining market share. However

12   none of the less-popular search engines was used to compile this report.

13   **Conversion Rate:**  Column "I" contains a site average conversion rate for Airon/Simple

14   Websites. Based on my industry experience and knowledge, I assume the conversion rate for

15   Airon/Simple Websites to be 1.2%. Industry standard for public records and people search sites

16   is between 1 and 2 percent.

17   **Number of Conversions:**  Column "J" takes the sum of column "H" and applies the

18   1.2% conversion rate to assist in estimating the revenue for a month of conversions as a direct

19   result of searches for the corresponding keyword term in the same row.

20   **Average Conversion Value (Avg. Rev./ Cnv.):**  Column "K" contains the average order

21   value for each transaction on the Airon/Simple Websites.  It is known that Airon/Simple

22   Websites charged $29.99 for its product. Therefore, each conversion would be worth the $29.99.

23   **Total Revenue (Total Rev.):**  Column "L" is the total amount of revenue for the 31 day

24   period for which Overture was reporting data. This was done by multiplying the number of

25   conversions in column "J: by the average order value in column "K."

26

27   **Declaration of Hayden Bond in Support of Application for Default Judgment by Court**
**Case No. CV-07-4131**

28   pacific information resources\pleadings\sullivan and simple communications\decl of bond  re application for default judgment final as filed 02
28 08

1       24.     Consequently, Column L shows a one month total of $42,225.00 for the month of

2  January 2008.  Thus, in order to conservatively estimate the total revenue for this site over the 30

3  month time frame of August 2005 through January 2008, we multiply 30 (x) $42,225.00 x 15

4  Airon/Simple Websites = $19,001,250.00.  **As I have noted in several places above, this is a**

5  **rather conservative, but defendable estimate.  I would expect the actual revenue to be at**

6  **least 30% higher.**

7       I declare under penalty of perjury under the laws of the United States of America that the

8  foregoing is true and correct.

9       Executed this 27th day of February, 2008 at Cayucos California.

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11                           /s/
                         Hayden Bond

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27  **Declaration of Hayden Bond in Support of Application for Default Judgment by Court**
**Case No. CV-07-4131**

28  pacific information resources\pleadings\sullivan and simple communications\decl of bond  re application for default judgment final as filed 02 28 08

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## **PROOF OF SERVICE**

2

I am employed in the County of Orange, State of California in the office of a member of

3 the Bar of this Court at whose direction this service was made. I am over the age of 18 and not a party to the within action; my business address is: **4631 Teller Avenue, Suite 140, Newport**

4 **Beach, California 92660**.

5

On **February 28, 2008,** I served the foregoing document described as:

6 **EXPERT DECLARATION REPORT OF HAYDEN BOND RE DAMAGES IN SUPPORT OF PACIFIC'S APPLICATION FOR DEFAULT**

7 **JUDGMENT**

8 on the interested parties in this action by placing ☐ the original ☒ a true copy thereof enclosed in a sealed envelope addressed as follows:

9 *SEE ATTACHED SERVICE LIST*

10 **XX   BY MAIL:** I deposited such envelope in the mail at Irvine, California. The envelope was mailed with postage thereon fully prepaid. I am "readily familiar"

11 with the firm's practice of collection and processing correspondence for mailing. It is deposited with the United States Postal Service on that same day in the

12 ordinary course of business. I am aware that on motion of party served, service is presumed invalid if postal cancellation date or postage meter date is more than

13 one (1) day after date of deposit for mailing in affidavit.

14 **BY PERSONAL SERVICE:** I caused such envelope to be delivered by hand to the addressee at the address on the attached Mailing List.

15

**BY FEDEX:** I deposited such envelopes at Irvine, California for collection and delivery

16 by Federal Express with delivery fees paid or provided for in accordance with ordinary business practices. I am "readily familiar" with the firm's practice of collection and

17 processing packages for overnight delivery by Federal Express. They are deposited with a facility regularly maintained by Federal Express for receipt on the same day in the

18 ordinary course of business.

19 **BY FACSIMILE:** I transmitted the foregoing document by facsimile to the party(s) identified above by using the facsimile number(s) indicated. Said transmission(s) were

20 verified as complete and without error.

21 **BY INTERNET/E-MAIL:** I transmitted the foregoing document by e-mail to the party(s) identified above by using the Internet Protocol Addresses indicated. Said

22 transmission(s) were verified as complete and without error.

23 **BY INTERNET/E-MAIL WITH CLERK OF THE COURT:** I certify that on ____ 2007, I electronically filed the foregoing with the Clerk of the Court using the CM/ECF

24 system which will send notification of such filing as indicated on the attached Mailing List.

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27 **Declaration of Hayden Bond in Support of Application for Default Judgment by Court**
**Case No. CV-07-4131**

28 pacific information resources\pleadings\sullivan and simple communications\decl of bond  re application for default judgment final as filed 02 28 08

1    I certify and declare under penalty of perjury under the laws of the State of California that
2    the foregoing is true and correct.

         Executed on **February 28, 2008** at Irvine, California.

3
                              /s/
4                             J. Renée Nordyke

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27    **Declaration of Hayden Bond in Support of Application for Default Judgment by Court**
                                                        **Case No. CV-07-4131**
28

*SERVICE LIST:*
*Pacific Information Resources v Simple Communications, et. al.*
Case No. C-07-4131 MMC

**VIA U.S. MAIL**

William Travis Sullivan
4931 Mason Road
Clayton, Washington 99110

Simple Communications
4931 Mason Road
Clayton, Washington 99110

Simple Communications
701 22nd Avenue
Tuscaloosa, Alabama 35401

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**Declaration of Hayden Bond in Support of Application for Default Judgment by Court**
**Case No. CV-07-4131**

pacific information resources\pleadings\sullivan and simple communications\decl of bond  re application for default judgment final as filed 02 28 08